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SUBJECT: RESPONSE FROM CZECH REPUBLIC ON REACH: IT IS TOO

LATE

REF: A. USDOC 02311

¶B. 05 PRAGUE 01561

- 11. SUMMARY: The Czech government was receptive to USG concerns on the pending EU Chemicals Directive (REACH), but indicated that changes are not likely as it is now a choice between the Council,s and the Parliament,s versions. Given the history of GOCR active engagement and pragmatism on REACH (ref B), we believe the Czech assessment to be credible and noteworthy. END SUMMARY
- 12. Econoff met with Ministry of Foreign Affairs Director of Internal Market and Related Policy Tomas Buril and his deputy Jarmila Grigelova to deliver ref A demarche on draft EU REACH regulation. In general, Mr. Buril and Ms. Grigelova shared our concerns about the potential costs and burdens both versions of REACH would impose on the chemical industry. However, they noted that the draft law, covering more than 30,000 different chemicals produced or imported into the Union in quantities of one ton a year or more, is not likely to be watered down or changed. In response to ref A point to remove activated monomers from the list of registered substances, Buril doubted that this would be possible, noting that monomer registration was included in the initial common position of the Council and first reading version of the Parliament. Buril further noted that a large concession was already made when it was decided to leave polymers outside the scope of the draft.
- 13. Buril explained that the MFA was playing the referee role between the Ministry of Trade and Industry and the Ministry of the Environment, noting that although the latter is the lead negotiator for the GOCR, the pressure of industry, especially that of small and medium sized businesses, has outweighed the worries of environmental advocates in the Czech Republic. Buril believes that any lingering problems with the legislation could be resolved through future amendments or administrative adjustments in implementation.

Finish with Finnish

14. Econoff also met with the Ministry of the Environment Director of Environmental Risk and lead GOCR negotiator on REACH Karel Blaha. Mr. Blaha said that after 5 years of lengthy debate and consultations regarding REACH among members of the Council, it was too late for changes and adjustments. He said that in all likelihood, the current REACH political agreement would move forward to the Council for formal approval and ratification. He mentioned that it was theoretically possible that one or two Member States, for example Ireland and Poland or Denmark and Sweden, could "torpedo" REACH, but is not expected.

¶5. Mr Blaha explained that REACH is now a choice between two draft bills, the Parliament,s version and the Council,s. He said that chances were slim that Qualified Majority Voting amendments would be added to the Council,s version. He said that no one wants REACH negotiations to go into "conciliation talks" between the Council, Parliament, and Commission. Finland has suggested that it wants to conclude REACH during its upcoming EU Presidency. The Finns have been encouraging Parliamentarians, such as Mr. Hartmut Nausser from Germany, to work with the Council before they adopt a version and deliver it to the Parliament for a second reading. Industry groups, long opposed to any regulation that would increase financial burdens and bureaucracy, also desire final legislation. Failure to reach consensus on REACH would start both the negotiation and political processes again, and industry fears a more robust anti-business bill as a result. DODMAN